

ORDINANCE NO. 024-18

AN ORDINANCE AUTHORIZING
A LEASE OF PROPERTY
LOCATED AT 11203 SOUTH
CORLISS AVENUE, CHICAGO,
ILLINOIS FOR THE RED LINE
EXTENSION PROJECT

WHEREAS, The Chicago Transit Authority ("Authority") has undertaken a project to build stations and extend rail infrastructure on the Red Line, also known as the Red Line Extension Project (the "Project"); and

WHEREAS, The Project will extend the Red Line from the existing terminal at 95th/Dan Ryan to 130th Street and include four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street, with multimodal connections at each station including bus, bike, pedestrian, and park & ride facilities; and

WHEREAS, The MTA Act, 70 ILCS 3605/8, provides that the Authority has the power to acquire any property useful for its purposes; and

WHEREAS, In the course of Project construction, the Authority will be required to obtain property or rights therein; and

WHEREAS, Infrastructure staff has identified a need for office space within the Project area for the management and execution of the construction of the Project; and

WHEREAS, The Authority has conducted an extensive review of available office space within the project area and has identified a property located at 11203 South Corliss Avenue, Chicago, Illinois (the "Property") as a viable location for the Project's construction offices; and

WHEREAS, The Property includes a one-story concrete block building containing 19,604 square feet (the "Building") on a parcel of land containing approximately 128,163 square feet and is described and depicted in Exhibit A hereto; and

WHEREAS, The Property is owned by Pullman Gateway, LLC ("Lessor"), an Illinois limited liability company whose majority owner and managing member is Chicago Neighborhood Initiatives (CNI), an Illinois not-for-profit corporation, and is available for lease; and

ORDINANCE NO. 024-18
(Continued) -2

WHEREAS, The Authority has agreed to lease the Property for a term of two years with four one-year options to extend for an initial monthly lease rate of \$24,505.00, which is based on a lease rate of \$15.00 per square foot of the Building, with annual rental increases of \$0.75 per square foot of the Building, and the Authority will be responsible for maintenance costs, utilities, and other costs and assessments related to the Property; and

WHEREAS, If any taxes, governmental charges, or assessments are levied with respect to the Property for the lease term, including real estate taxes, the Authority would pay any such charges, and the Authority will reimburse Lessor for any costs that Lessor incurs in applying for and obtaining tax exemptions; and

WHEREAS, The lease requires the Authority to indemnify Lessor and its officers, agents, managers, members, and employees in certain circumstances, and if either party brings an action related to the lease the prevailing party is entitled to attorney's fees and court costs; and

WHEREAS, It is useful, advantageous, desirable, and necessary for the Authority to lease the Property; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby approves a lease with Pullman Gateway, LLC for the property located at 11203 South Corliss Avenue, Chicago, Illinois, as depicted in Exhibit A hereto.

SECTION 2. The Chairman of the Board, or his designee, is authorized to enter into a lease with Pullman Gateway, LLC for the Property for two (2) years with four (4) one-year options which requires the Authority to pay an initial monthly rental rate of Twenty-Four Thousand Five Hundred Five Dollars (\$24,505.00), or Fifteen Dollars (\$15.00) per square foot (PSF) of the Building, with annual rental increases of Seventy- Five Cents (\$0.75) PSF of the Building, requires the Authority to pay other costs and assessments related to the Property and indemnify Lessor and its managers, members, officers, employees, and agents in certain circumstances, and contains such other terms as are substantially in conformance with the Pullman Gateway Lease between Pullman Gateway, LLC and the Chicago Transit Authority attached as Exhibit B hereto.

ORDINANCE NO. 024-18
(Continued) -3

SECTION 3. The Chairman, or his designee, is further authorized to execute all documents required to complete the lease and to take such actions and execute such other documents as may be necessary to implement the objectives of this ordinance.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

Chairman

February 14, 2024

PASSED:

Secretary

February 14, 2024